



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

NOV 26 2003

MEMORANDUM FOR: All Regional Directors, All Multifamily Hub and Program Center Directors, All Owners and Management Agents of Multifamily Assisted Properties, All Owners and Management Agents of Section 8 Project-Based Properties, All Contract Administrators

FROM: Stillman D. Knight, Jr., Deputy Assistant Secretary for Multifamily Housing Programs,
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SUBJECT: Revision of August 21, 2003 Implementation of HUD Handbook 4350.3 REV-1,
Occupancy Requirements of Subsidized Multifamily Housing Programs
Memorandum

The purpose of this memorandum is to revise my August 21, 2003 memorandum on the Implementation of HUD Handbook 4350.3 REV-1. This memo seeks to further discuss the implementation of Handbook 4350.3 REV-1, the effective date and any exceptions to the effective date of implementation. The Handbook was issued on June 12, 2003 and all policies in the Handbook are in effect as of that date. The only exceptions would be the matters set forth below.

Most of the information in HUD Handbook 4350.3 REV-1 is information that was included in HUD Handbook 4350.3 and its Changes 1 through 29. Many of the changes to this Handbook are changes to the organization of the Handbook and clarification of information or direction based on input received from owners, management agents, tenants and other interested individuals. A crosswalk between where information was located in the old Handbook and where it is located in the new Handbook is attached as Exhibit A to this memorandum. Additional information was incorporated from existing statutes, regulations, notices and policy guides that were issued subsequent to the issuance of the last updated Handbook. This information includes:

- Quality Housing and Work Responsibility Act (QHWRA)
- Screening and Eviction Rule
- Non-Citizen Rule
- Additional information 202, 202/8, 202PAC and 202/811 PRAC
- Information on Subsidized cooperatives
- Current information about Tenant Rental Assistance Certification System (TRACS) certifications and billings.

- The use of the terms disability and persons with disabilities is used when appropriate rather than the use of the terms handicap and individual with a handicap used in prior Handbook and some key regulations.
- Explanation of the two definitions of “Persons with Disabilities”
- Additional guidance on who is eligible to live in certain properties designed for elderly and or persons with disabilities. (Title VID of the Housing and Community Development Act of 1992)

Few policy changes have been included in HUD Handbook 4350.3 REV-1. Many of these changes were brought about by suggestions from users of the Handbook. Policy changes are listed in an attachment to this memo.

Where further information is needed, implementation guidance on the new policies incorporated into HUD Handbook 4350.3 REV-1 is presented below.

Recertification timeline

The revised handbook requires owners to start the recertification process 120 days prior to the anniversary date rather than 90 days prior to the anniversary date. Owners must have procedures in place by January 1, 2004, to notify the tenants that are due annual recertification on May 1, 2004. Thereafter, all tenants will be provided the 120-day notice.

Special claims submission deadline

The revised handbook requires owners to submit special claims for unpaid rent and tenant damages and for vacancy losses during rent –up within 180 days rather than within one year. This policy is in effect for all claims where the action that caused the claim occurred after June 12, 2003.

Partial month occupancy calculations

The revised handbook requires that owners use the actual number of days in the month when determining monthly assistance for partial month occupancy adjustments on the voucher rather than use 30 days when making these determinations. To allow for needed property management and contract administer system modifications, implementation of this new policy will be effective for owners’ submission of February 2004 vouchers (submitted in January 2004). If an owner or contract administrator is prepared to process partial month occupancy calculations in compliance with the new actual day requirement during the transition period, prior to the submission and review of the February 2004 voucher, HUD will allow for this practice.

Unborn Children

The revised Handbook requires owners to include unborn children for determining family size for income limits as well as determining unit size. TRACS will accept unborn children data submitted in “future field” 81 at present; however, TRACS will be enhanced to store this data in

a specific field in the future. Owners should use the “future field” 81 currently to submit information on unborn children until further notice.

Revised forms for new handbook

The revised Handbook has required the update and revision of some of HUD’s standard forms. They are:

- HUD-52670 – Housing Owner’s Certification and Application for Housing Assistance Payments
- HUD-52670A-1 – Tenant Assistance Payments Due
- HUD-52670A-2 – Special Claims Schedule
- HUD-52671-A – Special Claims for Unpaid Rent/Damages
- HUD-52671-B – Special Claims for Vacancies During Rent-up
- HUD-52671-C – Special Claims for Regular Vacancies
- HUD-52671-D – Special Claims for Debt Service

These revised forms are available for download from HUD’s HUDCLIPS website (www.hudclips.org).

To allow time for site management software to be appropriately updated and installed, owners are required to use these new forms with the owners’ submission of July 2004 vouchers (submitted in June 2004).

Electronic data submission

Two requirements of the revised Handbook necessitate electronic submission of data. At this time, HUD’s TRACS system is unable to process these data electronically. Consequently, the electronic submission requirement for these items is suspended until further notice. They are:

- Approval of Near Elderly Admission in Section 202/8 Properties
- Race and Ethnicity Data

Please note that for the approval of near elderly admissions in Section 202/8 properties owners are required to document the file with all appropriate documentation for the local Multifamily Hub. Approval of these admissions for Section 202 PRACs and PACs must be approved by HUD Headquarters. Note also that as HUD Notice H 03-23 directs “Form HUD 27061-H, Race and Ethnicity Data Reporting Form (OMB Approval No. 2502-0204), is to be used to collect the race and ethnicity data. The completed form(s) for members of the household should be stapled together and placed in the household’s file.”

Questions on HUD Handbook 4350.3 REV-1 should be submitted to the mailbox at Occupancy_Handbook_Comments@hud.gov

Note: Guidance in HUD Handbook 4350.3 REV-1 does not supersede the requirements of the Performance Based Contract Administrator’s (PBCA) Annual Contributions Contract

Attachments